

APPENDIX C TO PART 1030—EFFECT ON
STATE LAWS

(a) INCONSISTENT REQUIREMENTS

State law requirements that are inconsistent with the requirements of the act and this part are preempted to the extent of the inconsistency. A state law is inconsistent if it requires a depository institution to make disclosures or take actions that contradict the requirements of the federal law. A state law is also contradictory if it requires the use of the same term to represent a different amount or a different meaning than the federal law, requires the use of a term different from that required in the federal law to describe the same item, or permits a method of calculating interest on an account different from that required in the federal law.

(b) PREEMPTION DETERMINATIONS

A depository institution, state, or other interested party may request the Bureau to determine whether a state law requirement is inconsistent with the federal requirements. A request for a determination shall be in writing and addressed to the Bureau of Consumer Financial Protection, 1700 G Street NW., Washington, DC 20006. Notice that the Bureau intends to make a determination (either on request or on its own motion) will be published in the FEDERAL REGISTER, with an opportunity for public comment unless the Bureau finds that notice and opportunity for comment would be impracticable, unnecessary, or contrary to the public interest and publishes its reasons for such decision. Notice of a final determination will be published in the FEDERAL REGISTER and furnished to the party who made the request and to the appropriate state official.

(c) EFFECT OF PREEMPTION DETERMINATIONS

After the Bureau determines that a state law is inconsistent, a depository institution may not make disclosures using the inconsistent term or take actions relying on the inconsistent law.

(d) REVERSAL OF DETERMINATION

The Bureau reserves the right to reverse a determination for any reason bearing on the coverage or effect of state or federal law. Notice of reversal of a determination will be published in the FEDERAL REGISTER and a copy furnished to the appropriate state official.

APPENDIX D TO PART 1030—ISSUANCE OF
OFFICIAL INTERPRETATIONS

Except in unusual circumstances, interpretations will not be issued separately but will be incorporated in an official commentary to this part, which will be amended periodically. No interpretations will be issued ap-

proving depository institutions' forms, statements, or calculation tools or methods.

SUPPLEMENT I TO PART 1030—OFFICIAL
INTERPRETATIONS

INTRODUCTION

1. *Official status.* This commentary is the means by which the Bureau of Consumer Financial Protection issues official interpretations of Regulation DD.

Section 1030.1 Authority, purpose, coverage, and effect on state laws

(c) Coverage

1. *Foreign applicability.* Regulation DD applies to all depository institutions, except credit unions, that offer deposit accounts to residents (including resident aliens) of any state as defined in §1030.2(r). Accounts held in an institution located in a state are covered, even if funds are transferred periodically to a location outside the United States. Accounts held in an institution located outside the United States are not covered, even if held by a U.S. resident.

2. *Persons who advertise accounts.* Persons who advertise accounts are subject to the advertising rules. For example, if a deposit broker places an advertisement offering consumers an interest in an account at a depository institution, the advertising rules apply to the advertisement, whether the account is to be held by the broker or directly by the consumer.

Section 1030.2—Definitions

(a) Account.

1. *Covered accounts.* Examples of accounts subject to the regulation are:

- i. Interest-bearing and noninterest-bearing accounts.
- ii. Deposit accounts opened as a condition of obtaining a credit card.
- iii. Accounts denominated in a foreign currency.
- iv. Individual retirement accounts (IRAs) and simplified employee pension (SEP) accounts.
- v. Payable on death (POD) or "Totten trust" accounts.

2. *Other accounts.* Examples of accounts not subject to the regulation are:

- i. Mortgage escrow accounts for collecting taxes and property insurance premiums.
- ii. Accounts established to make periodic disbursements on construction loans.
- iii. Trust accounts opened by a trustee pursuant to a formal written trust agreement (not merely declarations of trust on a signature card such as a "Totten trust," or an IRA and SEP account).
- iv. Accounts opened by an executor in the name of a decedent's estate.